

MEMORANDUM OF AGREEMENT
BETWEEN THE
U.S. DEPARTMENT OF THE INTERIOR
AND THE
U.S. DEPARTMENT OF ENERGY
NEVADA OPERATIONS OFFICE
FOR THE REHABILITATION AND RESETTLEMENT
OF BIKINI ATOLL

This Memorandum of Agreement (hereinafter referred to as "Agreement") is made by and between the U.S. Department of the Interior (hereinafter referred to as "Interior"), represented by the Office of Territorial and International Affairs, and the U.S. Department of Energy (hereinafter referred to as "DOE"), represented by the Nevada Operations Office.

WITNESSETH:

WHEREAS, the purpose of this Agreement is to implement the purpose of the U.S. Congress in Public Laws Nos. 97-257 and 100-446; and

WHEREAS, DOE has entered into Contract Number DE-AC08-86NV10471 with Holmes & Narver, Inc. for the performance of specified activities in regions including the Marshall Islands; and

WHEREAS, the People of Bikini and Interior will benefit from the assistance of DOE's contractor; and

WHEREAS, DOE and its contractor are capable and willing to provide assistance in the rehabilitation and resettlement of Bikini Atoll;

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE I - GENERAL

a. In the administration and coordination of the services to be provided under this Agreement, the Director, Pacific Area Support Office, Department of Energy, Nevada Operations Office ("PASO"), and the Bikini Project Officer, as designated by the Assistant Secretary of Territorial and International Affairs, Department of the Interior, are designated operational representatives. These representatives, in consultation with the People of Bikini, are responsible for monitoring the performance of this Agreement and are authorized to issue operational procedures and directions within the policy and principles of this Agreement.

b. This Agreement may be amended by agreement of the parties in accordance with applicable rules and regulations.

c. The parties acknowledge that the Kili/Bikini/Ejit Local Government Council (hereinafter referred as ("the Council")) is conducting a cleanup and resettlement program at Bikini Atoll (hereinafter referred to as ("cleanup and resettlement program")) and has designed Holmes and Narver, Inc., as Project Manager for this work. The parties acknowledge that it will be of mutual benefit to use each other's logistics and life support systems on a limited non-interference basis. Any such exchange of services shall be reimbursed on a direct cost basis.

ARTICLE 2 - SCOPE OF WORK

a. A scope of work and estimated costs for DOE administration and coordination of services shall be prepared on or about October 1 of each fiscal year this Agreement is in effect. Revised statements of work shall be provided as required during the performance period.

b. The scope of work for each fiscal year for DOE administration and coordination of services shall be prepared and approved by the Council, approved by the Trustee of the Resettlement Trust Fund for the People of Bikini (hereinafter referred to as "Resettlement Trust Fund"), and submitted to and approved by Interior for review and written approval if the dollar amount of work exceeds \$100,000.00 per fiscal year.

c. Once the Council, Interior and the Trustee of the Resettlement Trust Fund agree upon and approve a specific scope of work at a specific dollar amount, Interior shall forward such scope of work to DOE, and such scope of work, together with any other instructions Interior deems necessary to clarify DOE's role, shall constitute authorization for DOE to provide administration and coordination of services under this Agreement.

ARTICLE 3 - FINANCE

a. Pursuant to the September 18, 1989 letter from Kathy A. Jackson, Senior Vice President and Trust Officer, Security Trust, N.A., to Larry Morgan (Bikini Project Officer), Interior's Director for Legislative and Public Affairs, office of

Territorial and International Affairs (hereinafter referred to as the "September 18, 1989 letter"), a copy of which is attached hereto as Exhibit A and incorporated into this Agreement by this reference:

(1) Upon Interior's approval of each scope of work referred to in Article 2, above, the Trustee of the Resettlement Trust Fund shall obligate, reserve and earmark out of the Resettlement Trust Fund account for payment to Interior the specific dollar amounts referred to in each scope of work.

(2) Energy will bill Interior monthly utilizing the On-Line Payment and Collection System (OPAC). Energy will furnish periodic financial and program progress reports in such reasonable detail as may be required by Interior. DOE and/or its contractors shall not incur costs, enter into commitments or submit requests for payments to Interior in excess of the dollar amount contained in an existing and approved scope of work.

(3) Within two (2) business days of receipt of a written request for payment from Interior pursuant to a scope of work that has been previously approved by the Council, Interior and the Trustee (as set forth in Article 2(a) above, the Trustee of the Resettlement Trust Fund shall wire transfer to Interior's account, pursuant to instructions contained in such written request, those sums requested by Interior.

b. Billings may include and payment shall be provided for allowable costs incurred prior to signature of this agreement, subject to the provisions of this Article.

c. Pursuant to the September 18, 1989 letter, the parties understand that any and all disputes arising out of this Agreement, including but not limited to payment for work performed, quality of work performed and amount of payment, are to be resolved between the Council and Holmes & Narver, Inc. as Project Manager for the cleanup and resettlement program.

ARTICLE 4 - DELIVERABLES

Holmes & Narver, Inc. shall prepare a status report and fiscal accounting to Interior's operational representative within 120 days of the end of each U.S. Government fiscal year. The fiscal accounting report shall be prepared in accordance with generally acceptable U.S. Government accounting standards.

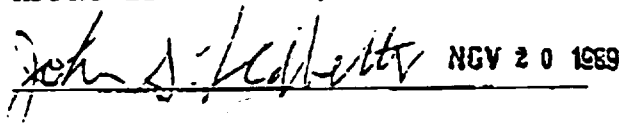
APPROVED



Assistant Secretary
Territorial and International
Affairs

Dated: NOV 13 1989, 1989

APPROVED

 NOV 20 1989

Contracting Officer
John S. [unclear]
Contracting Officer